

A TO

WITH THE



Having celebrated its 100th birthday last year, the AA is one of the most recognisable and trusted organisations in the UK. Best known for its breakdown service it has millions of members making it by far the largest company of its kind in the UK with around 3,000 highly trained patrols. However, since its formation, the AA has evolved to provide services not only to get you safely from A to B, but also to help organise your finances, help you buy a new or second-hand car, teach you to drive and much more besides.

Graeme McDermott, Head of Customer Insight and Data, AA



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With these changes in offering have come many challenges for the AA marketing team, particularly in terms of customer data. The need for a single customer view of each and every customer is paramount in order for the AA to understand its customers' needs and maximise the effectiveness of its marketing. In 2002, Graeme McDermott (now Head of Customer Insight and Data at the AA) was asked to set up a Customer Insight function in the AA and to complete the creation of a centralised customer warehouse. Head2Head caught up with him to find out what made him the man for the job, and just why he's waiting for Kylie Minogue to come down his chimney.

What is your career history before the AA? Initially I trained as an actuary with life assurance and general insurance companies in the 90s. This involved a huge amount of data analysis and I quickly realised I had a liking for databases, IT and analytics. In 1999 I joined AA Insurance to look after the Management Information and Analysis function.

What is your remit at the AA? I work across the whole of customer analytics and data management in the AA. I am responsible for our very large customer data warehouse, the Customer Hub, covering a wide range of products. I have to ensure that Data Protection rules are fully adhered to, that data is collected fit for purpose, and that it is correctly collated into a central repository for company wide exploitation. I am also responsible

for the purchase of third party data which includes geo-demographic and lifestyle data for marketing purposes plus data for hygiene purposes, such as mortality files and goneaway lists. Data is my middle name!

We also provide support to the marketing team with analysis to turn data into customer insight so they can maximise the effectiveness of the marketing budget. This means providing them with segmentation, propensity models, lifetime value modelling, customer profiling and other clever stuff.

Understanding our customers is essential so it takes a good team to do this. I have five others working with me in the Insight team, plus six analysts working directly in insurance and two in financial services.

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On 8th and 9th March, the prestigious Financial Services Data Summit takes place in central London.

It's the third year the summit has taken place and the third year Acxiom has supported the event as lead sponsor.

Sam Taverner, Acxiom's European Business Development Leader will chair the first day of the event, which will see the attendance of over 200 leading marketing and data professionals in the Financial Services industry.

Expert speakers (including a number of Acxiom clients) from around the financial services industry will discuss a whole range of data-related subjects, just a few of which are listed below;

- Revitalising customer data strategy by improving data quality and facilitating access to customer information
- Applying analysis and segmentation to transform data into profitable customer intelligence
- Translating customer intelligence into actionable targeting and contact strategies

The financial services sector is at the leading edge when it comes to information-driven marketing. It's difficult to think of another sector where the stakes are higher or where the innovation and commitment to succeed is greater.

Acxiom is very excited about the event and delighted to be involved again.

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A to B with the AA continued

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What are the major marketing issues facing the AA?

There are three key issues, all of which rely on data to reap the opportunities they afford. Firstly, we need to understand how to optimise the marketing efficiencies we can gain through channel management, working the web, telemarketing and direct mail as effectively as possible.

Secondly, we need to understand and use our knowledge of the price sensitivity of different customer segments at the point of acquisition and renewal. Using real insight into this can have a significant impact on our business.

Finally, as we continue to diversify into new areas, we need to be able to leverage every cross sell and up sell opportunity – using data as the engine to drive this activity.

How important is data at the AA? Data is our life blood. Sometimes we think we have too much data, but of the wrong type, hence we purchase additional data from suppliers like Acxiom to better inform our insight and marketing. We have spent a lot of time in the past getting data into a single place. Since cracking that important nut we have been able to concentrate on the exploitation of the data and operationalising the insight to the front line systems (some call it CRM, I prefer not to).

What work do you do with Acxiom? We have worked with Acxiom for some time now if you include their previous incarnations such as Claritas from whom we used to purchase lifestyle data for acquisition activity. For the last two years we have effectively used their national mailing file, for our Financial Services acquisition programme for Personal Loans - no doubt we will continue to use it as we develop new financial products. We are currently evaluating their new Personix segmentations against our incumbent systems and are very interested in their new financial segmentation system, Personix Financial, which is tailored to our industry.

Although it is used by another part of our company, I know we also take insurance renewal data from Acxiom as this data is like gold dust when it comes to targeting insurance mailings.

What is your best achievement at work? Achieving the impossible! When Centrica sold the AA to two private equity firms in October 2004 we were set the challenge of migrating our customer data warehouse from Centrica by June 2005. This included purchasing brand new hardware, rebuilding in the latest SAS software, user testing and parallel runs, whilst at the same time undergoing massive people and business restructure – not forgetting our day-to-day requirements for providing an analytics and direct marketing selections service. After working many days, nights and weekends we went live on time and under budget.

This was despite many so called experts saying it was impossible. Indeed one colleague claimed that I had more chance of Kylie Minogue coming down my chimney than of getting the system working on time. Someone then supplied a copy of Kylie singing 'Santa Baby' hurrying down the chimney after we went live. I learned that it is possible to work under extreme pressure and deliver in this area as long as you have good basis of technical understanding and a great team.

For more information on similar consumer marketing data solutions in the financial sector, please contact Andrew Hooper on 020 8213 5558 or andrew.hooper@acxiom.com

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